Search Report from Ginger R. DeMille

```
? show files;ds
File 348:EUROPEAN PATENTS 1978-2004/Apr W04
         (c) 2004 European Patent Office
File 349:PCT FULLTEXT 1979-2002/UB=20040415,UT=20040408
         (c) 2004 WIPO/Univentio

Set     Items   Description
S1     522108   FORMULA?? OR MATHEMATICAL OR EXPRESSION OR ALGORITHM OR EQ-
             UATION?? OR MATH OR COMPUTATION
S2       9941   VOLATILITY
S3       4837   SETTLEMENT
S4     830378   VARIABLE?? OR PARAMETER?? OR VALUE??
S5       5562   (TRADE OR TRADING OR EXCHANGE OR EXCHANGING)(2N)(PERIOD?? -
             OR TIME OR TIMES OR DAY OR DAYS OR WEEK OR WEEKS OR MONTH OR -
             MONTHS OR DATE?? OR HOUR?? OR MINUTE??)
S6      10741   (HIGH OR LOW OR MAXIMUM OR MINIMUM OR HIGHEST OR LOWEST OR
             HIGHER OR LOWER)(2W)(PRICE??) OR PRICE()POINTS
S7        756   (OPENING OR BEGINNING OR STARTING OR INITIAL OR FIRST OR S-
             TART)(2W)PRICE??
S8       6047   S1 AND S2
S9        406   (S3 OR CONTRACT? ?) AND S8
S10       386   (S4:S7) AND S9
S11        23   S1(S)S2(S)(S3 OR CONTRACT? ?)(S)S8
S12        21   S1(S)S2(S)(S3 OR CONTRACT? ?)(S)(S4:S7)
S13        11   S1(S)S2(S)(S3 OR CONTRACT? ? OR CONTRACTUAL)(S)S4(S)(S5:S7)
S14         2   S13 NOT PY>2000
S15        22   S12 OR S13
S16         4   S15 NOT PY>2000
S17         2   S15 NOT AD>=20000215
? t17/3,k/all

 17/3,K/1     (Item 1 from file: 349)
DIALOG(R)File 349:PCT FULLTEXT
(c) 2004 WIPO/Univentio. All rts. reserv.

00552851    **Image available**
COMMUNICATION OF CREDIT FILTERED PRICES IN AN ELECTRONIC BROKERAGE SYSTEM
COMMUNICATION DE PRIX POUR CREDIT, APRES FILTRAGE, DANS UN SYSTEME DE
    COURTAGE ELECTRONIQUE
Patent Applicant/Assignee:
  EBS DEALING RESOURCES INC,
  MILLS Gregory D,
  JAIN Neena,
  HOWORKA Edward R,
Inventor(s):
  MILLS Gregory D,
  JAIN Neena,
  HOWORKA Edward R,
Patent and Priority Information (Country, Number, Date):
  Patent:               WO 200016224 A1 20000323 (WO 0016224)
  Application:          WO 98US19196 19980911  (PCT/WO US9819196)
  Priority Application: WO 98US19196 19980911
Designated States: AL AM AT AU AZ BA BB BG BR BY CA CH CN CU CZ DE DK EE ES
  FI GB GE GH GM HR HU ID IL IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MD
  MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SL TJ TM TR TT UA UG US
  UZ VN YU ZW GH GM KE LS MW SD SZ UG ZW AM AZ BY KG KZ MD RU TJ TM AT BE
  CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE BF BJ CF CG CI CM GA GN
  GW ML MR NE SN TD TG
Publication Language: English
Fulltext Word Count: 12708
```

Search Report from Ginger R. DeMille

Fulltext Availability:
Detailed Description

Detailed Description
... 414 1.732 2.449 3 3.464 3.872 4.242 6
The currency **volatility parameter** must be able to be entered and modified online via the TFA for each FRA...

...traded on the local
floor. And as previously explained, the linear calculation method for the **contract** period or "gap" (the "three month equivalent") is a fixed **formula** that can't be modified online.

3 mo. Equivalent factor of mos in gap)/3...

17/3,K/2 (Item 2 from file: 349)
DIALOG(R)File 349:PCT FULLTEXT
(c) 2004 WIPO/Univentio. All rts. reserv.

00488469 **Image available**
SYSTEMS, METHODS AND COMPUTER PROGRAM PRODUCTS FOR ELECTRONIC TRADING OF FINANCIAL INSTRUMENTS
SYSTEMES, METHODES ET PROGRAMMES INFORMATIQUES DESTINES A LA NEGOCIATION ELECTRONIQUE D'INSTRUMENTS FINANCIERS
Patent Applicant/Assignee:
DERIVATIVES NET INC,
MAY R Raymond,
Inventor(s):
MAY R Raymond,
Patent and Priority Information (Country, Number, Date):
Patent: WO 9919821 A1 19990422
Application: WO 98US21518 19981013 (PCT/WO US9821518)
Priority Application: US 9762410 19971014
Designated States: AL AM AT AT AU AZ BA BB BG BR BY CA CH CN CU CZ CZ DE DE DK DK EE EE ES FI FI GB GD GE GH GM HR HU ID IL IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MD MG MK MN MW MX NO NZ PL PT RO RU SD SE SG SI SK SK SL TJ TM TR TT UA UG US UZ VN YU ZW GH GM KE LS MW SD SZ UG ZW AM AZ BY KG KZ MD RU TJ TM AT BE CH CY DE DK ES FI FR GB GR IE IT LU MC NL PT SE BF BJ CF CG CI CM GA GN GW ML MR NE SN TD TG
Publication Language: English
Fulltext Word Count: 34553

Fulltext Availability:
Claims

Claim
... contract) to thirty years into the future. Therefore, the resulting credit exposure (i.e., the **value** of a contract at a future time) is over the life of a contract of...credit risk between two parties to almost zero by the
posting of collateral against the **value** of a portfolio of derivatives covered by a singie ISDA (International Swap and Derivatives Association...

...Binary - takes into account the maturity (quoted in months from trade date) of the financial **contract** .
Method 3: Complex - This is based on the RQ of each **contract** within maturity bands. The system calculates a RQ for each instrument in the form of...

...However, the line binary method adds a further restriction of a maximum maturity of any **contract** tradable. The added restriction is preferably expressed by the number of months into the future...

...using RQ units, but which desire a method to limit potential exposure to longer dated **contracts** (for example, a temporary step).
The complex method allows each business unit to exactly stipulate... mentioned, the credit risk in a derivatives transaction is relatively complex. For instance, though derivative **contracts** come in many forms, the majority have a fair credit **value** of zero at the time the transaction is initially entered into. That is, no funds are transferred between the parties at the time the **contract** is created. Rather, the **contract** places an obligation on both over the term of the **contract** . Further, both parties are entering into a **contract** which requires them to accept a certain amount of risk. The RQ is a unit of credit risk which allows all **contracts** to be compared on a like basis, at virtually any point in time. The RQ...

...exposure may be expressed as follows:
E(t) = max(A(t)-L(t), 0)
This **formula** is similar to the intrinsic **value** of a call option. The key
difference is that both A(t) and L(t...
...Cr2(t) -r(t)
di= C(t) Crit-)2
where cr(t) is the daily **volatility** (in percent) that takes into account that both A(t) and L(t) are random. The maximum exposure estimate is based on the following
equation :
ME(...8(t) is the discount factor at future time t.
For FRA's, the following **equations** apply:
SUBSTITUTE SHEET (RULE 26)
A(t) = *discountFactor(t,s)*x+ (1 +floatingCoupon)*discountfactor (t...

...s, x = 1, and
for t> =s, x=O.
Then we can apply the above **formula** for RQ to get the expected exposure at time t. By choosing the time partition tO,tl,t2...., tn and calculate the expected exposure at each point and use the **formulae** of RQ, the RQ of this FRA can be calculated. For SWAP's, the following **equations** apply for any time (ti < t < = ti + 1):
11
A(t)=ZfloatingCoupor@tl)*discountFactoKt,tj...
...time tj, and fixedCoupon(tj) is the fixed coupon at time tj. Then apply the **formulae** of option pricing approach, we can get the expected exposure at time t, by averaging...point. Regardless of the credit preference type, the trader workstation 20 generates a maximum maturity **value** that determines how an order will be color coded. The maximum maturity **value** is in the form of an integer n digits in length, with the right-most...

...month, 14 days. The method by which credit
preferences are converted to a maximum maturity **value** is represented by Table 2 below.
Preference Maximum Maturity
Type
Binary No -2" , the smallest possible integer **value**
SUBSTITUTE SHEET (RULE 26)

Binary Yes 232
1, the largest possible integer **value**
Line Binary The maximum maturity associated with the preference
(e.g., Line Binary/ 12 has...

...000
12000 0
TABLE 2
Every instrument in the system 10 possesses a maximum maturity **value** .
To determine whether a particular order can be traded, the maximum
maturity for the order...
?